



DOD Centrally Billed Accounts Update

Travel Charge Card Program Management Office

Sixth Annual GSA SmartPay Conference
New Orleans, Louisiana
August 24-26, 2004
DoD Session

Your Financial Partner @ Work

CBA Update

- **Program Statistics**
 - Delinquency
 - Timeliness
- **Audit Reports**
 - GAO
 - DoDIG
- **Questions and Answers**

DoD CBA Delinquency - Unpaid on

- | DoD | \$ Del | % Del |
|----------|---------|-------|
| • Aug 01 | \$22.1M | 9.5% |
| • Aug 02 | \$4.1M | 2.2% |
| • Aug 03 | \$997K | .5% |
| • Aug 04 | \$1M | .5% |
- **Delinquencies are below the DoD goal of 3%.**
- **Good job!**

CBA Timeliness - Paid by day 30

- **DoD Statistics - August 17, 2004**

Del (Older than 60) by day 30)	Past Due (Older than 30)	On-Time (Pd)
\$1M	\$23M	\$187M
.5%	11%	89%

- **Need to continue efforts to pay by day 30!**

Who is Responsible for Program

Responsibility is shared:

- **OUSD - Comptroller**
 - Travel Card Program Management
 - DoD Financial Management Regulation
 - Payment of CBAs and Travel Voucher
 - Defense Travel System
- **OUSD - Acquisition & Technology**
 - Oversight of Commercial Travel Offices
 - Transportation Policy

Who is Responsible for Program

- **OUSD - Personnel & Readiness**
 - The Joint Travel Regulations (JTR/JFTR)
 - Table of Disciplinary Action
 - Bargaining unit issues
- **DoD Components**
 - Modifying CTO contracts
 - Implementing policies pertaining to travel/transportation
 - Establishing, monitoring and reviewing internal controls
 - Monitoring the use of premium travel
 - Ensuring turn-in of unused tickets
 - Reviewing & approving travel settlement vouchers
 - Taking disciplinary action

1st and Business Classes of

- **What was found?**

- **Breakdown in key internal controls**
 - Lack of proper authorization
 - Lack of proper justification
- **Lack of management oversight**
 - No DoD reporting on business class travel
 - First class travel data incomplete
- **Weakness in control environment**
 - DoD policies inconsistent with GSA's
 - Service regulations outdated
 - Lack of DoD guidance on authorizing documentation

1st and Business Classes of

• **What corrective actions have been taken?**

JTR/JFTR changes made and include:

- A common standard for documenting the authorization for premium travel (must be included on the travel order)
- Common guidelines on authorization of premium travel for medical reasons
- Decision support tool for use in determining whether premium class travel is appropriate
- Revised approval levels for 1st and business class travel
- Prohibition of approval of premium travel by subordinates
- Revised language regarding flights over 14 hours in duration
- Definitized rule pertaining to use of premium class travel. Premium travel is only authorized for TDY - not PCS except for medical reasons
- Adds mission required as a reason for premium travel
- New reporting requirement for Business class and semi-annual report of all premium travel

1st and Business Classes of

- **Corrective actions continued:**

- OUSD-AT&L memorandum dated June 4, 2004 directs Components to ensure contracts:
 - Contain language addressing premium travel
 - Prohibit the improper issuance of premium travel and that
 - Report notices of completion of the tasking
- DTS contracts will include performance standards that prohibit and penalize CTOs for improper issuance of premium travel

GAO - Unused Tickets

- **What was found?**

- Unused ticket reports from 5 airlines reflecting unused and partially used tickets for which no claims had been made
- Process relied on travelers to turn in unused tickets
- No systematic method for identifying unused tickets
 - No method for identifying paper tickets
 - No consistency in e-tickets processes
 - No verification

GAO - Unused Tickets

- **Actions taken include:**

- OUSD-C memorandum dated May 21, 2004 requires:
 - All travelers...to return unused tickets to their activities.
 - Approving officials to closely review travel claims for unauthorized expenses and to perform necessary follow-up actions to ensure unused tickets are returned to the proper activity.
- OUSD-AT&L Memorandum dated June 4, 2004 requires Components to modify CTO contracts to ensure performance standards for identifying and processing refunds for unused tickets; ensure CTO contracts include unused ticket reporting requirements; and ensure internal control policies and procedures be reviewed in order to ensure CTO compliance and monitoring of the requirements.

GAO - Unused Tickets

- **Actions taken continued:**

- OUSD-C memorandum dated June 2, 2004 directs cancellation of unused tickets on day 30 following the last leg of travel and reporting of unused tickets on a quarterly basis
- DD1351-2 remark now notifies travelers to turn in unused tickets to the CTO
- Forwarded initial requests to five airlines for refund of \$21M for 57,000 unused tickets reported to GAO; requests were denied
- Currently researching 400 high dollar value tickets to determine the validity of the data submitted to the GAO
- Suspended further actions pending the outcome of research
- Placed unused tickets reminder on Leave and Earning Statements
- Requested GSA assistance in obtaining automatic refunds
- Fielding DTS

GAO - Improper Payments

- **What was found?**

- Weak control environment
 - Travelers paid for airline tickets they did not purchase
- Breakdown in key internal control
 - Tickets purchased and paid on invalid orders
 - Inadequate safeguard over account numbers
 - Accounts stolen and used for personal gain
 - Questionable charges not always disputed

GAO - Improper Payments

- **What corrective actions have been taken?**

- JTR/JFTR changes requiring the type of travel card (IBA or CBA) to be used for the trip, be included in the travel order
- OUSD-C memorandum dated May 21, 2004 requires:
 - All travelers be reminded to not claim airline tickets purchased through CBAs as reimbursable expenses on their travel vouchers
 - Approving officials to closely review travel claims for unauthorized expenses and to perform necessary follow-up actions to ensure unused tickets are returned to the proper activity

GAO - Improper Payments

- **Corrective actions continued:**

- OUSD-AT&L memo dated May 31 direct CTO contracts should contains guidance for discontinuing placement of the account number on itineraries
- DD1351-2, Travel Voucher was modified to:
 - Identify CBA as a mode of travel
 - Add a message advising travelers to not claim reimbursement for CBA funded tickets on their travel vouchers
- Initiated action to recover improper payments

Other Initiatives

- DoD CBA CBT – Available for viewing at the Navy booth
- Bank of America training
 - Anytime for 25 or more
 - Meet quarterly with Component CPMs
 - Review program statistics
 - Resolve problems

Summary

- **Program Statistics**
 - Delinquency
 - Timeliness
- **Audit Report**
 - GAO
 - DoDIG
- **DoD CBA CBT - coming soon**
- **Questions and Answers**

Summary

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